

**Statement for the Record**

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**By**

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**Committee on Oversight and Government Reform**

**Regarding**

***“Money, Guns and Drugs:***

***Are U.S. Inputs Fueling Violence in Mexico?”***

Chairman Tierney, Ranking Member Flake, and Distinguished Members of the Subcommittee, thank you for the opportunity to testify today on the important drug related security issues facing both Mexico and the United States. Although drug related violence is not new to Mexico, the level of violence currently experienced by Mexico is unprecedented, and threatens not only Mexico's national security interests, but our Country's as well. The brave security forces in Mexico cannot afford to fail. If they do, Mexico will most likely devolve into a 'narco-state,' and life on both sides of our shared border will undergo dreadful changes, unlike any our nations have ever faced.

Before entering the private sector on November 1 of last year, I served for almost four years as the Assistant Administrator and Chief of Operations with the U.S. Drug Enforcement Administration, and for one year as the Agency's Acting Chief of Intelligence. I also served in a number of DEA offices throughout the United States, including service on both our Southern and Northern borders, on both our East and West Coasts, in the Midwest, as well as two years in various countries in Latin America. It is through my 34 years in law enforcement and as a veteran of the U.S. Marine Corps that I sit before you today, deeply concerned about our Nation's important neighbor—Mexico.

### **What's Currently Happening on the Ground in Mexico**

Drug related violence is nothing new to Mexico, but the intensity and duration of hostility currently ongoing in Mexico is unmatched by any experienced in the past. Why? Because President Calderon and his Administration had the courage to admit that the Mexican drug cartels had become so powerful that they challenged the authority of the Mexican government at all levels, and were becoming more powerful than their government's security institutions. The cartels had successfully destabilized democratic governance and eroded political stability, which is exactly what they had worked hard to achieve for many years.

The Calderon Administration was even more courageous when they developed and implemented a long-term strategy to take back Mexico from the traffickers. When this strategy was implemented, the cartels were already feuding amongst themselves for lucrative turf, as they had so many times in the past. When the cartels came under simultaneous attack by the full weight of Mexico's security forces, over 45,000 Mexican military personnel bolstered by the country's federal law enforcement services, they began to lash out like never before. There were over 6,000 drug related murders in Mexico in 2008, and 530 Mexican law enforcement officers were killed in the line of duty, of which 493 were drug-related homicides. To put that into context, 140 police officers were killed in the line of duty in the United States in 2008, of which 41 were killed by gunfire.

The level of brutality exhibited by the Mexican cartels and their assassination teams exceeds anything we have witnessed in Iraq and Afghanistan in the past. The number of beheadings last year alone numbered about 200, and some of those were police officers. The head of one police

officer was actually impaled on a spike on top of a wall in front of a police station with a note stuffed in the mouth warning the police to show more 'respect' for the traffickers. Traffickers have actually broken into the communications network of law enforcement in the Tijuana area to broadcast the identity of the next round of law enforcement officers to be targeted for assassination, only to find the bullet riddled bodies of those officers on the streets of Tijuana a few hours later.

Which takes us back to the question, "Why?" Roughly 90% of all the cocaine, heroin, methamphetamine and marijuana consumed in our Country enter the United States from Mexico. The money generated by the cartels' global drug trafficking is staggering. The United Nations estimates that the drug trade between Mexico, the U.S. and Canada generates about \$147 billion dollars annually, and the Office of National Drug Control Policy (ONDCP) estimates that our fellow citizens here in the U.S. spend about \$65 billion dollars annually to satisfy their insatiable appetite for drugs. The United Nations estimates that the entire global drug trade generates about \$322 billion dollars annually. No other illicit global market comes close to those numbers. The National Drug Intelligence Center estimates that somewhere between \$8 - \$24 billion dollars in 'bulk currency' alone transits our Country each year destined for the cartels' coffers in Mexico—ultimately smuggled across our Southwest Border.

Is there any wonder why the cartels in Mexico have grown so strong, and why they will continue to fight for the criminal enterprise they have worked so hard to build?

### **How the Mexican Drug Cartels Became So Strong**

During the early 1980s, our government, working with South American, Central American and Caribbean partners, successfully dismantled much of the Caribbean drug corridor—the area where most of the cocaine from the Andean Region flowed north into South Florida for eventual distribution throughout the United States. Consequently, the Colombian cartels formed alliances with the Mexican cartels to move their (Colombian) shipments of cocaine, and later heroin, into the United States. It made perfect sense to both the Colombian and Mexican cartels. Mexican traffickers had an existing smuggling infrastructure in place along the Southwest Border (SWB); the Mexican cartels already dominated heroin and marijuana drug trafficking in the Western United States; and the Colombian and Mexican cartels shared a common language.

During the early days of this marriage made in hell, the Mexican cartels began accepting payment for their services in cash for moving Colombian drugs across the SWB and into the United States, but soon realized they could be making far more money by accepting, and ultimately demanding, payment 'in kind' (payment in drugs rather than cash) for their services. The Colombian cartels were soon paying their Mexican partners with half of the drugs in every cocaine load transiting the SWB. This aspect of the relationship allowed the Mexican cartels to carve out their own lucrative cocaine distribution markets throughout the United States, and later, in Mexico and elsewhere around the globe.

Just as important to the Mexican cartels' meteoric rise and success in dominating the United States illicit drug markets is the fact that they fully exploited the substantial demographic changes involving our Nation's Mexican and Hispanic populations over the past 25 years. As jobs went unfilled in the agricultural, meat packing, textile, construction and restaurant industries all across our country, hard working Mexican immigrants, citizens and non-citizens alike, moved into communities where those job vacancies existed and filled the employment voids. Never missing an opportunity, the cartels quickly infiltrated operatives into those communities where they easily blended in, and quickly took over drug distribution rights from local, traditional trafficking groups. And that scenario was repeated over and over again, all across our country over the past 25 years.

Mexican drug cartels and their U.S. based subordinates are now responsible for cocaine, heroin, methamphetamine and marijuana trafficking in communities in every state across our country, including Alaska and Hawaii. Local and state law enforcement in many areas of our Nation still lack the capacity to deal with the Mexican culture, and lack the expertise to effectively fight sophisticated organized drug trafficking groups. To compound the problem, hundreds of millions dollars in federal grant funding for local and state law enforcement was slashed over the past few years, leaving Chiefs and Sheriffs crippled as they attempted to deal with this extraordinarily complex law enforcement challenge.

### **How They Operate**

The Mexican cartels' 'corporate' headquarters are set up South of our border, and thanks to corruption, cartel leaders often times carry out their work in palatial surroundings. The cartel leaders manage and direct the daily activities of 'command and control cells' that are typically located just across the border in our Country. Those command and control cells manage and direct the daily activities of 'distribution, transportation and money laundering cells' all across our Nation.

The cartels operate just like terrorist organizations, with extremely complex organizational structures, consisting of highly compartmentalized cells: distribution cells, transportation cells, money laundering cells, and in some cases assassination cells or 'hit squads.' Many experts believe Mexican and Colombian drug trafficking organizations are far more sophisticated, operationally and structurally, than Middle Eastern terrorist organizations. In fact, some experts believe that Middle Eastern terrorist organizations actually copied the drug trafficking cartels' sophisticated organizational model for their advantage. This sophisticated organizational model continues to thwart law enforcement and security services around the globe. Cell members are so compartmentalized that they possess little, if any knowledge of the greater organizational model that encircles and supports their nodes; therefore, they can share little of value when apprehended.

The Mexican cartels rely heavily on three of their most important tradecraft tools to maintain power: corruption, intimidation and violence—the ‘hallmarks of organized crime’ If they can’t corrupt you, they will intimidate you; if that doesn’t work, they will turn to brutal violence. Without the hallmarks of organized crime, the cartels cannot succeed. The Mexican cartels spend hundreds of millions of dollars to corrupt each year, and they have succeeded in corrupting virtually every level of the Mexican government. If anyone believes for one minute that the Mexican cartels are not looking north into the United States to corrupt—they’re obviously blind. We are already experiencing a spillover of drug related violence, and it’s not just along our SWB in places like El Paso, Calexico and Las Cruces. It’s also playing out in places like Atlanta, Chicago, Omaha and Anchorage.

We must also understand that the Mexican cartels operate with Fortune 100 corporate efficiencies. They are masters at creating demand, expanding their markets and developing a diverse product line. They have pushed into West Africa, into places like Guinea-Bissau, the quintessential example of ungoverned space, and established a transshipment base for the movement of multi-ton quantities of cocaine into the rapidly developing markets of Europe and Russia. One could cynically say that’s not necessarily a bad thing—that more of the poison is now destined for locales outside the United States. However, we are a compassionate and caring Nation, and we would never wish this tragedy on any country or people. And the reality of the situation is that the profit from the drugs ultimately finds its way back into the coffers of the cartels, and makes them even more powerful.

What worries me even more is the fact that Mexican cartel operatives, in places like Guinea-Bissau, are provided with opportunities to rub shoulders with the likes of Al Qaeda, Hezbollah and Hamas operatives, who also thrive in these permissive environments. Do I possess the proverbial ‘smoking gun’ that unequivocally proves this type of activity is taking place? No, but 34+ years of personal experience in many tough places around the globe tells me that it is happening with regularity. We as a Nation could pay a terrible price for allowing this potpourri of global scum to migrate together, to share lessons learned and to form strategic alliances. We should be doing all we can to drive a wedge between these powerful threats.

### **Who’s to Blame?**

It’s easy to blame Mexico. But there is plenty of blame to go around and we certainly share equal responsibility for what is happening in Mexico today.

We have experienced substantial declines in drug abuse in our country over the past few years and that’s great news, but let there be no doubt that many of our fellow citizens are fueling the violence in Mexico by continuing to abuse illicit drugs. It is estimated that as many as 90% of the weapons used in violent assaults perpetrated by the Mexican cartels are purchased or stolen in the United States and smuggled into Mexico. We need to do more in our Country to curb the

appetite for illicit drugs and to identify, investigate and bring to justice those responsible for diverting arms to Mexico.

I have explained how more cocaine from Colombian and Mexican cartels is now destined for emerging European and Russian markets. Consequently, Europe and Russia can also shoulder some of the blame for what is happening in Mexico, Central America and Colombia, and should be doing more to support counter-narcotics efforts. Our Congress may want to explore why the United States is picking up the vast majority of the tab for policing the global drug trade.

### **The Way Ahead in Mexico**

Mexican Attorney General Eduardo Medina-Mora and Secretary of Public Security Genaro Garcia-Luna, courageous men I know, trust and have worked with, have both vowed to rid corruption from the ranks of federal law enforcement, and then go to work on state and local law enforcement agencies. Both are aggressively attempting to hire college educated applicants, and are beginning the vetting process for federal law enforcement by requiring detailed background investigations of their officers, as well as polygraph examinations and random urinalysis. But they need the help of Mexico's legislator's to enact a performance, pay and benefits reform package, which will help build lasting, professional federal law enforcement institutions with robust internal policing capacity. Mexico has also followed Colombia's lead and extradited over 80 major drug traffickers in 2007 and 95 in 2008 to the United States. If there is one thing a global drug lord or terrorist fears the most, it is justice meted out in a federal courthouse in the United States.

Mexico's military forces desperately need the air, land and maritime assets required to rapidly get them and their law enforcement colleagues into the fight, often times in remote and desolate areas of the country. Mexico's military currently possesses the most trusted and professional security institutions in the country, and will continue contributing significantly to the fight until federal law enforcement can assume greater responsibility for the effort.

Although there are enormous differences between Mexico and Colombia, important parallels remain. Colombia was experiencing similar levels of violence just a few years ago as that country took the fight to its powerful drug cartels, including the Revolutionary Armed Forces of Colombia (FARC), the Auto Defensas of Colombia (AUC), and the ELN, all three designated foreign terrorist organizations by the U.S. and the E.U., as well as drug trafficking organizations. In the last three years, Colombia has experienced levels of peace and stability that have not been witnessed for over 50 years. The numbers of kidnappings, homicides, home invasions, bank robberies and armed robberies have all plummeted. There is a law enforcement presence in every community of the country for the first time in Colombia's history. Why? Because our Congress refused to turn its back on a neighbor and supplied aid and funding through Plan Colombia. Colombia has done its part by fighting and winning, and continues to do so after experiencing tremendous losses of innocent citizens, as well as security forces.

Mexican security forces are currently at the tip of the spear in the fight against the powerful drug cartels, and they are in the fight of their lives. We in the United States need to understand that they are fighting and dying to protect not only their citizens, but ours as well. We typically lose over 30,000 of our fellow citizens to death caused by drug abuse and addiction each year. We have spent over \$700 billion dollars in Iraq and Afghanistan, and that should serve as a clear indication that the \$1.5 billion dollars in Merida Initiative funding that our Country has promised to Mexico and Central America to fight the drug cartels over the next three years falls woefully short. We had better be willing to do more, or the brave Mexican security forces will undoubtedly fail. If they fail, that \$1.5 billion dollar mistake will cost our Country far, far more. We owe Mexico more—a great deal more.